

MINUTES
TOWN OF CAMP VERDE
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, MARCH 21, 2018 at 6:30 P.M.

Note: Council member(s) may attend Council Sessions either in person or by telephone, video, or internet conferencing.

1. Call to Order

Mayor German called the meeting to order at 6:30 p.m.

2. Roll Call

Mayor Charles German, Vice Mayor Jessie Murdock, Councilor Dee Jenkins, Councilor Brad Gordon, Councilor Jackie Baker and Councilor Buck Buchanan were present. Councilor Robin Whatley was absent.

Also Present

Town Manager Russ Martin, Deputy Town Clerk Virginia Jones, Commander Armstrong, Parks and Recreation Coordinator Michael Marshall, Waste Water Treatment Plant Manager Jerry Tinagero, Publics Works Director Ron Long, Finance Director Michael Showers and Recording Secretary Jennifer Reed.

3. Pledge of Allegiance

Mayor German led the Pledge.

4. Consent Agenda – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.

a) Approval of the Minutes:

- 1) Council Hears P&Z Matters – February 28, 2018
- 2) Special Budget Session – March 2, 2018
- 3) Regular Session – March 7, 2018

b) Set Next Meeting, Date and Time:

- 1) Wednesday, March 28, 2018 at 6:30 p.m. – Council Hears P&Z Matters-**Canceled**
- 2) Wednesday, March 28, 2018 at 5:30 p.m. – Special/Executive Session
- 3) Wednesday, April 4, 2018 at 6:30 p.m. - Regular Session
- 4) Wednesday, April 11, 2018 at 5:30 p.m. – Work Session
- 5) Friday, April 13, 2018 at 8:00 a.m. – Special Budget Session
- 6) Wednesday, April 18, 2018 at 6:30 p.m. – Regular Session
- 7) Friday, April 20, 2018 at 8:00 a.m. – Special Budget Session

c) Possible award of Agreement #18-125, in the amount of \$2,067,863 to Earth Resources Corporation, for the construction of Phase I Camp Verde Sports Complex, drainage and infrastructure improvements. [Staff Resources: Ron Long]

Note: Mayor Charles German has filed a Conflict of Interest Disclosure Memorandum with the Town Clerk, pursuant to ARS §38.501-511 and will not discuss, vote or otherwise participate in this item.

Mayor German recused himself on Item 4c because he is under litigation. Vice Mayor Murdock pulling item 4C, from the Consent Agenda, and made a **Motion** to approve the Consent Agenda with the corrections of (4b) Friday, April 20, 2018 (corrected from typo 3018) and cancellation of March 28, 2018 Council hears P&Z Matters, replacing with Wednesday, March 28, 2018 5:30 p.m.- Executive Session. Second was made by Councilor Baker. **Motion** carried unanimously.

Motion made by Vice Mayor Murdock to award Agreement #18-125, in the amount of \$2,067,863 to Earth Resources Corporation, for the construction of Phase I Camp Verde Sports Complex, drainage and infrastructure improvements. Second was made by Councilor Baker. Councilor Gordon asked what interest rate was locked in for the loan of the property. Town Manager Russ Martin stated it is 3.3%. Mayor German commended Public Works Director Ron Long on the memorandum. **Motion** carried with Mayor German abstaining.

5. Special Announcements and presentations.

None

6. Call to the Public for items not on the Agenda. (Please complete Request to Speak Card and turn in to the Clerk.) Residents are encouraged to comment about any matter NOT included on the agenda. State law prevents the Council from taking any action on items not on the agenda. At the conclusion of an open call to the public, individual members of the public body may respond to criticism made by those who have addressed the public body, may ask staff to review a matter or may ask that a matter be put on a future agenda. However, members of the public body shall not discuss or take legal action on matters raised during an open call to the public unless the matters are properly noticed for discussion and legal action. (Pursuant to ARS §38-431.01(H))

No public comment received.

7. Business. Legal action can be taken.

7.1. Public Hearing on proposed Wastewater Rate Increase. [Staff Resource: Michael Showers, Troy Odell]

7.1.1. Staff Report- Town Manager Russ Martin stated that during Town Council discussions about projects, staff presented these projects for consideration. These projects will put the Plant in an efficient state for anticipated growth and will fulfill the original intent of the design through doubling our current daily usage. This has required redesign of some aspects of the plan, and when complete should eliminate occasional effluent violations that are placed (safely) into lined ponds.

The projects included have been funded for a loan in February from WIFA. This includes a \$1,000,000 principal forgiveness (grant) to complete these projects. This, along with the previous completion of WIFA funds currently under construction, will position the Plant for operational needs for a decade or better,

with limited maintenance upgrades currently in this project.

Fees will be increasing approximately \$5 per month. Residents will see a rate change in May 2018 and then again in January 2019. Mr. Martin stated the only rates currently less than Camp Verde's proposed rate change is Cottonwood. Future rate studies will include a flow component to more accurately calculate the resident impact. Until flow information is collected, this is impossible to do.

Mr. Martin also stated it is important to note that some may see even more of an increase if they currently have more than average fixture counts (generally in larger homes) as the previous policy was limited to \$50/month residential rate. This would be eliminated with adoption and true per-fixture rates would be charged starting May 1, 2018.

Councilor Baker stated when looking at residential charges, the state average is \$36.18, but Prescott Valley is \$27.77. She asked if this is because they have water and sewer combined? Is that a better way to average out the bill? Mr. Martin responded that it is hard to compare systems, there are different costs to operate different systems. It is mostly associated with rate-base. He is hoping that Camp Verde's rate-base will grow. Scale of efficiency is higher for Camp Verde. Councilor Baker wants the citizens to understand, Council has been doing a good job to improve everything that is provided through the sewer system and they haven't raised the rates. They are trying to do this as best as they can.

Councilor Gordon stated the sewer rates are based on a "fixture basis" right now because they don't have the water company. One difference in other communities is that they charge water and sewer on a per-gallon basis. Hopefully the Town will be acquiring the water system sometime in the future to be able to reduce the rate.

Councilor Buchanan asked how many users are on the system. Mr. Martin said there are approximately 1,000 accounts. Councilor Buchanan asked how many of those aren't getting service. Mr. Martin stated there are 1,000 getting billed per month and about 140 are paying taxes but are not getting monthly bills or the benefit of the system. Councilor Buchanan asked if their rates will be increased too. Mr. Martin said they should see a benefit in their property tax bill but not too much of a change.

Mayor German stated that when he was a Council person in the past, the town subsidized the district considerably. Mr. Martin stated that in this year's budget coming forward is \$118,000 of General Fund that will go to pay that debt. Two thirds of the citizens are paying a share of that debt, because it was anticipated that would generate jobs and growth that was needed on the highway. This is a positive thing for the community.

Mr. Martin stated the Wastewater Fund is kept separately by the Town, funded separately by rates and tracked separately from the other funds, as required by law. Mr. Martin also stated it is important to note that currently no administration fee has been placed on the fund and its operational budget, which should be considered in this year's budget moving forward. This means that current items

such as, the time much of the administrative work, management (Town and Department), risk management, human resources, all finance (billing/payables, etc.) as well as other Town services do not draw from the Wastewater Fund Operations. Mr. Martin suggests this year the Council look at a more equitable solution and consider a percentage for expensing these items fairly to all residents.

Mr. Martin stated that the Town's Staff has spent a lot of time on this and is doing its best to make sure everything is fair.

7.1.2. Open Public Hearing

The Public Hearing was opened at 7:03 p.m.

John Teague- is a lifetime resident. He was told in the past that increases weren't going to come, that they'd actually go down. But they did increase and now the Town is requesting another increase. He is on disability unemployment, and lives on that. He stated that about 75% of the people in this town live on social security. This increase is more than what Social Security gave him this year as an increase. He will have to find a way to cover these increases and he is not sure where will he find the money to cover costs.

Timothy Wiggle- he builds homes. He knows how important it is to cover the costs of operating systems. He feels he is subsidizing the people of Camp Verde by being on the water system. He has never paid a higher sewer rate, than water rate, except in Camp Verde. The amount of water you get into home is not the amount you disperse out of your home. He can't believe that the Town can't make an agreement with the water company, that if you paid them a fee, they couldn't give you those records. If you look into the water use of homes, then you could base the sewer usage on that. Everyone in their community is paying the same amount no matter how many people live in each home. The system that needs to be looked at is rating the water use based on sewer use.

7.1.3. Close Public Hearing

The Public Hearing was closed at 7:08 p.m.

7.1.4. Council Discussion

Town Manager Russ Martin addressed Mr. Teague. He stated that the first increase was a property tax to pay for operations. It offset the tax. There are people that go through adjustments to cover a cost that wasn't being covered or to leverage against Capital Projects that need to be accomplished. Mr. Martin suggested doing a fixture count for Mr. Teague. Mr. Teague stated his home hasn't changed since he moved in. Mr. Martin stated the Town has attempted to work with Bullard's.

Mayor German asked if there is an opportunity to look into what other treatment plants do for seniors, like a hardship waiver. Maybe have other people pay a little more to protect those seniors on a fixed budget. Mr. Martin stated that other communities like Sedona, have low-income rates that are potentially as low as half the rate, a low-flow rate. He will need more information about these plans

and can look into this.

Councilor Jenkins likes the idea of looking into low-income options. These increases will affect more than just seniors. She would like them to look at it sooner than later. To support the citizens in those situations.

Councilor Baker stated part of approving the rate is related to the loan issue. Is it possible to do revisions right now to address a low-income rate for some users? She stated what the Town is trying to do, in all the studies that are provided, is to pay for things that the Town has no choice but to address.

Councilor Gordon asked what year the rates were last raised. Mr. Martin stated it was 2013, or about 5 years ago. Councilor Gordon said that on paper it looks like a 12% raise but it actually averages out to about 3% over the years, if it was increased over those 5 years. He stated that things need to be kept up.

Councilor Jenkins asked if the people who pay for service but don't receive service, is there a time frame or plan to get them in the system? Mr. Martin said it is not cost effective. Waste Water Treatment Plant Manager Jerry Tinagero said there are pipes that need to be installed that would be costly.

Councilor Baker asked if when that District was formed, did the original members agreed to this?

Mayor German wanted to remind everyone that in the past, there was a problem with the whole sewer system, and if the Town hadn't stepped in, ADEQ was going to put in a system no matter the cost. He commends those residents that aren't getting the service for stepping in the breach and saving the town from that standpoint.

Mr. Martin explained he would have to do a rate study to get better information. He suggested getting through the January 2020 rate increase and then re-evaluate at that point. You'll be able to see two budget years and growth might affect it by then.

Councilor Gordon asked whether rates can be raised without a rate study. Mr. Martin said the Legislature requires a rate study if raising rates.

7.2. Discussion, consideration and possible approval of recommended rates from the 2018 Town of Camp Verde Wastewater Rate Study by Resolution 2018-1001, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County Arizona, Adopting Fees for Town Wastewater Services for Fiscal Years 2017-18, 2018-19, 2019-20, 2020-21 & 2021-22, and superseding the Wastewater Fee portion of Resolution 2017-979. [Staff Resource: Mike Showers]

Finance Director Mike Showers wanted to make sure people don't overlook the fact that three loans would be refinanced and citizens will save money on their property taxes. The savings would not be dollar for dollar but it is a reduction.

Motion made by Councilor Baker to approve Resolution 2018-1001, a Resolution of the Mayor and Common Council of the Town of Camp Verde, Yavapai County Arizona, Adopting Fees for Town Wastewater Services for Fiscal Years 2017-18, 2018-19, 2019-20, 2020-21 & 2021-22, and superseding the Wastewater Fee portion of Resolution

2017-979. Second by Councilor Gordon. **Motion** carried unanimously.

Mayor German would like Mr. Martin to look into a review of other municipalities to see if they have a hardship or low-income policy.

Mayor German recessed the meeting at 7:35 p.m.

Mayor German resumed the meeting at 7:40 p.m.

7.3. Discussion and possible approval of Parks & Recreation Division Facility Use & Fee Standards Policy. [Staff Resource: Michael Marshall]

Parks and Recreation Director Michael Marshall stated that this would adjust to how they would apply the fees the Council approved to Class A, B, & C. This would not apply to people who already have Facility Use Agreements. He explained there are some Class A groups/organizations that use the rooms regularly. There is a fair amount of use they aren't paying for. When they public wants to use the room for personal reasons, the room has already been booked weeks in advance. He is proposing to allow these users, on a quarterly basis, have 12 uses and or 24 hours per quarter. Basically means 2 hours a week and not pay a fee or 8 hours once a month. Any overage would be bumped up to next level (\$15 an hour). He has gotten more requests from the public to use the space. He is attempting to make it more equitable.

Occasionally they have groups who are not based in Camp Verde and have no Camp Verde connection. He suggested that if it's not benefiting Camp Verde residents, they should pay the next level up. This would adjust how to apply the fee schedule. They don't have a problem with field usage, but if they did get there, it would be similar to meeting space fee schedule. This would also not apply to AYSO, Little League, & Boy/Girl Scouts.

Councilor Gordon stated the rooms at the library are popular as well and can see over-usage. He stated that as long as it's not discouraging people to use it, it's an advantage.

Councilor Baker asked when this policy would be affective. Mr. Marshall said he'd like to start July 1, 2018, at the start of the new fiscal year.

Motion was made by Councilor Baker to approve Parks & Recreation Division Facility Use & Fee Standards Policy as presented, effective July 1, 2018; seconded by Councilor Jenkins. The **motion** carried unanimously.

7.4. Discussion and possible approval of new road names for park entrance road and road to Waste Water Treatment Plant (WWTP). [Staff Resource: Michael Marshall]

Parks and Recreation Director Michael Marshall stated the existing road into the Waste Water Treatment Facility and new road off Hwy 260 into the Sports Complex are not named. They are suggesting naming the road going to the park be named Champion Way or an alternate of "Creosote Way". They are suggesting naming the road going to the Waste Water Treatment Plant be named "Honey Wagon Trail" or an alternate of "Wagon Boss Way".

Councilor Buchanan asked if there is any reason to make a decision tonight. Mr. Martin stated that it needs to be named before deliveries can be made there but there are a few months before that happens.

Councilor Jenkins stated she doesn't like any of the suggested names. She suggested asking the children of Camp Verde to submit names. Involve the children since the park is for the children. Mr. Martin stated that 911 limits name choices and there is the preapproved list that the County has already approved.

Councilor Buchanan said that if you give the teachers guidance, they can direct students.

Councilor Baker stated that she personally likes the names that are proposed.

Vice Mayor Murdock asked if the road that is proposed to be named "Champion Way" is a through road or emergency access only. Mr. Martin stated it is emergency access only.

Mr. Martin suggested going with the suggested Waste Water Treatment Plant name and then have the school help with the park names.

Motion made by Councilor Baker to approve Champion Way and Honey Trail as access road names for park entrance road and Waste Water Treatment Plant (WWTP). **Motion** died for lack of Second.

Motion made by Councilor Gordon to approve to approve Honey Wagon Trail for the Waste Water Treatment Road. **Motion** died for lack of Second.

7.5. Request for authorization for the Marshal's Office to apply for grant funding from the Governor's Office of Highway Safety (GOHS), Arizona Community Foundation (ACF), and the Department of Homeland Security (DHS) to pay for equipment and personnel expenses to be incurred in FY 2018-2019. [Staff Resource: Russ Martin, Brian Armstrong]

Commander Armstrong stated the Marshall's Office doesn't qualify for the Department of Homeland Security Grant so they are removing this from the list.

Motion made by Councilor Gordon to authorize the Marshal's Office to apply for grant funding from the Governor's Office of Highway Safety (GOHS), and Arizona Community Foundation (ACF) to pay for equipment and personnel expenses to be incurred in FY 2018-2019. Second was made by Vice Mayor Murdock. **Motion** carried unanimously

8. Call to the Public for items not on the agenda. (Please complete Request to Speak Card and turn in to the Clerk.)

There were no comments from the Public.

9. Council Informational Reports. These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.

Councilor Buchanan spoke on attending the Pecan and Wine Festival.

Councilor Jenkins spoke on attending the Pecan and Wine Festival. She said there was a

nice turnout. Camp Verde Promotions did a nice job again.

Councilor Baker attended the Pecan and Wine Festival as well. She stated there needs to be more volunteers to keep this going. There was delicious food there.

Councilor Gordon attended the Pecan and Wine Festival. He gave kudos to Camp Verde Promotions and Camp Verde Business Alliance. He did state that the pecans were not well represented and that he would donate some next year.

Vice Mayor Murdock attended the Pecan and Wine Festival. She reminded everyone that this Saturday, March 24 is March a Mile. You can register at 9 a.m. at the Gazebo, and the walk begins at 10am.

Mayor German attended the Pecan and Wine Festival. He thought the vendors were very happy. He is helping clean up the Copper Canyon Area, Saturday. The County will be sharing the cost on the roll off. He announced that next Thursday, Friday and Saturday are free dump days at the Camp Verde Transfer Station (March 22-24, 29-31 and April 5-7).

- 9. Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.

Town Manager Russ Martin-

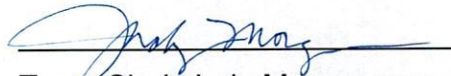
- Vets for Hire are cutting trees on the Town's properties in the Verde Lakes area over the next couple of weeks. This is paid for from part of the Fire Wise Grant the Fire District was awarded.
- Next weekend, March 31st at 1 p.m. is the Welcome Home Vietnam Veterans Event.

10. Adjournment

Mayor German adjourned the meeting at 8:11 p.m.



Mayor Charles German



Attest: Town Clerk Judy Morgan

CERTIFICATION

I hereby certify that the foregoing minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Council Meeting of the Town Council of Camp Verde, Arizona, held on March 21, 2018. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 2nd day of March, 2018.


Judy Morgan, Town Clerk